

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PEKING 01182 01 OF 02 110224Z

ACTION EA-09

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05  
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00  
CIAE-00 INR-07 NSAE-00 FEA-01 OES-07 L-03 PRS-01  
MC-02 ACDA-07 /086 W

-----110228Z 031526 /65/41

R 100758Z JUN 77 CORRECTED COPY FOR MRN

FM USLO PEKING

TO SECSTATE WASHDC 7986

INFO AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 1 OF 2 PEKING 1182

C O R R E C T E D C O P Y (MRN 1182 VICE 00001)

E.O. 11652 N/A

TAGS: ETRD, CH, US

SUBJ: MONTHLY US BUSINESS VISITORS REPORT: MAY

REF: (A) PEKING 1055, (B) PEKING 1131

1. SUMMARY. DURING THE LAST MONTH US CORPORATIONS MADE MAJOR SALES OF DRILL RIG MOVING EQUIPMENT, VIDEO TAPE RECORDERS AND TECHNOLOGY FOR THE PEKING PETROCHEMICAL PLANT. THE TOTAL VALUE OF THE SALES IS IN EXCESS OF \$10 MILLION. THESE CONTRACTS REPRESENT THE FIRST SIGNIFICAN INCREASE IN US SALES SINCE THE SUMMER OF LAST YEAR. IN ADDITION, A VARIETY OF US COMPANIES WERE IN PEKING DISCUSSING THE SALE OF PETROLEUM EQUIPMENT, OIL DRILLING RIGS, AND MACHINERY. END SUMMARY.

2. WHILE THE CANTON FAIR ATTRACTED OVER 600 US BUSINESS VISITORS (REF A), MANY OTHERS VISITED  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PEKING 01182 01 OF 02 110224Z

PEKING FOR SERIOUS DISCUSSIONS AND NEGOTIATIONS. US EXPORTERS WERE IN PARTICULAR PROMINENCE AND ALL SAY THEY HAVE FOUND STRONG INTEREST BY THE FOREIGN TRADE CORPORATIONS IN US EQUIPMENT AND MACHINERY. THERE IS A SENSE AMONG MANY OF THE EXPORTERS THAT PROSPECTS FOR SALES TO CHINA ARE BETTER NOW THAN THEY

HAVE BEEN AT ANY TIME IN THE LAST YEAR. THE  
NUMBER OF LARGE-VALUE CONTRACTS RECENTLY  
CONCLUDED INDICATES THAT THE PRC IS IN FACT  
ONCE AGAIN  
READY TO STEP UP ITS FOREIGN  
PURCHASES.

3. THE LARGEST CONTRACT WAS SIGNED BY STANDARD  
OIL OF INDIANA (AMOCO) FOR \$6.75 MILLION FOR  
TECHNOLOGY TO BE USED BY AN FRG COMPANY IN THE  
CONSTRUCTION OF A TEREPHTHALLIC ACID PLANT AT  
THE PEKING PETROCHEMICAL COMPLEX (REF B).  
THIS IS THE SECOND LARGE SALE BY STANDARD OIL  
TO THE PRC. THE COMPANY HAD PREVIOUSLY PROVIDED  
THE TECHNOLOGY FOR A POLYPROPYLENE PLANT AT  
THE TA CHING PETROCHEMICAL COMPLEX.

4. IN ITS FIRST SALE TO THE PRC, INTERNATIONAL  
HARVESTER, REPRESENTED BY R.J. MCMENAMIN,  
VICE PRESIDENT OF OVERSEAS OPERATIONS, SIGNED A  
CONTRACT FOR THREE SETS OF DRILL RIG MOVING  
EQUIPMENT VALUED AT \$2.5 MILLION. MCMENAMIN  
SEES THE SALE AS A SIGNIFICANT BREAKTHROUGH  
FOR THE COMPANY AND HOPES THAT IT WILL  
LEAD TO SALES IN OTHER FIELDS.

5. MATTHEW MCGILLICUS  
GKOF AMPEX INTERNATIONAL  
DIVISION CONCLUDED THE SALE OF \$1.4 MILLION OF  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PEKING 01182 01 OF 02 110224Z

VIDEO RSI  
RECORDERS. THESE TWO SETS BRING TO  
SEVENTEEN THE TOTAL NUMBER OF MO  
VXQAVR-2  
RECORDERS SO FAR SOLD BY AMPEX. MCGILLICUDDY  
SAID HE EXPECTS NO EXPORT LICENSING PROBLEMS.  
IT APPEARS  
THAT THE RECORDERS WILL BE  
USED TO TAPE ALL PROGRAMS IN PEKING FOR  
DISTRIBUTION TO TV BROADCASTING STATIONS  
THROUGHOUT CHINA. IN THE SAME WAY THAT "PEOPLE'S  
DAILY" IS SET UP IN PEKING AND THE MATS  
DISTRIBUTED TO THE PROVINCES.

6. WHILE IN PEKING, MCGILLICUDDY TALKED  
WITH THE EXHIBITION DEPARTMENT OF THE CCPIT  
ABOUT THE POSSIBILITY OF AMPEX HOLDING A SOLO  
EXHIBITION IN SEPTEMBER. HE HAD IN MIND  
EXHIBITING THE LATEST MODELS OF A WIDE

VARIETY OF SOPHISTICATED EQUIPMENT. HOWEVER,  
HE EXPECTS SOME EXPORT CONTROL LICENSING PROBLEMS.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PEKING 01182 02 OF 02 130131Z  
ACTION EA-09

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05  
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00  
CIAE-00 INR-07 NSAE-00 FEA-01 OES-07 L-03 PRS-01  
MC-02 ACDA-07 /086 W  
-----130136Z 043884 /64

R 100758Z JUN 77  
FM USLO PEKING  
TO SECSTATE WASTCC 7987  
INFO AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 2 OF 2 PEKING 1182

7. INGERSOLL-RAND HAS BEEN INVOLVED FOR THE  
LAST SEVERAL WEEKS IN DETAILED NEGOTIATIONS  
FOR A \$3 MILLION POWER RECOVERY SYSTEM AT THE  
SHANGHAI PETROCHEMICAL PLANT. ACCORDING TO  
COMPANY REPRESENTATIVE TOME FENEMOR OF THE HONG  
KONG OFFICE, THE SYSTEM IS DESIGNED TO USE THE  
WASTE HEAT OF FLUE GAS FOR POWER GENERATION.  
INGERSOLL-RAND HAS BEEN REPRESENTED BY S.S.  
WANG OF INTERNATIONAL CORPORATION OF AMERICA.

8. A DELEGATION FROM BOEING VISITED PEKING  
FOR SEVERAL DAYS FOR GENERAL DISCUSSIONS.  
WILLIAM HAMILTON, VICE PRESIDENT FOR  
INTERNATIONAL BUSINESS SAID THAT THE  
VISIT WAS MAINLY TO KEEP IN TOUCH WITH THE CHINESE  
OFFICIALS. BOEING DOES NOT EXPECT TO SELL  
ADDITIONAL AIRCRAFT IN THE NEAR FUTURE. IN A  
MEETING WITH CCPIT CHAIRMAN WANG YAO-TING,  
HAMILTON POINTED OUT THE HIGH COST PER  
PASSENGER MILE OF THE CONCORDE AS COMPARED  
WITH BOEING'S 707 OR 747. WANG SAID THAT HE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PEKING 01182 02 OF 02 130131Z

HAD BEEN ON A CONCORDE AND DID NOT LIKE THE CRAMPED AND CROWDED INTERIOR. HE WAS GENERALLY UNFAVORABLE IN HIS COMMENTS ABOUT THE PLANE AND LEFT THE IMPRESSION THAT CHINA WILL NOT EXERCISE ITS OPTION FOR PURCHASE.

9. AL JOSEPH OF IBM VISITED PEKING TO WORK ON PROBLEMS RELATED TO THE IBM COMPUTER SOLD TO THE PRC EARLIER THIS YEAR. THE REQUIRED END-USE STATEMENT HAS BEEN FURNISHED, BUT ONLY AFTER IBM RECEIVED A ONE HOUR LECTURE ON RESTRICTIONS IMPOSED BY US EXPORT CONTROL REGULATIONS. JOSEPH EXPECTED TO BE JOINED BY OTHERS FROM THE COMPANY EARLY IN JUNE.

10. DRESSER ATLAS EXPORT SALES, A DIVISION OF DRESSER INDUSTRIES, PRESENTED A TECHNICAL SYMPOSIUM ON OILFIELD EQUIPMENT, WITH EMPHASIS ON DRILLING BITS. DISCUSSIONS WERE ALSO HELD ON THE DELIVERY OF OIL WELL LOGGING EQUIPMENT PREVIOUSLY SOLD TO CHINA. ROBERT BRIMBERRY TOLD US THAT HE HAS BEEN ABLE TO TALK WITH END-USERS FROM TACHING WHO HAVE SHOWN GREAT INTEREST IN DRESSER DRILLING EQUIPMENT. MEMBERS OF THE DRESSER TEAM VISITED TACHING AT THE END OF THEIR TALKS.

11. THE CHINESE OCEAN SHIPPING CORPORATION HOSTED TWO US FIRMS DURING MAY. SAVINELLI AND GUIDICE, REPRESENTATIVES OF THE DREW CHEMICAL CORPORATION, AFTER MAKING SMALL PURCHASES OF CHEMICALS IN PEKING AND CANTON, CAME TO PEKING TO DISCUSS WITH COSCO AN EXPANSION OF THE SALE OF DREW CHEMICAL MARINE PRODUCTS TO COSCO SHIPS AT PORTS WORLDWIDE. DREW BEGAN SUPPLYING SHIPS OF THE CANTON BRANCH A YEAR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PEKING 01182 02 OF 02 130131Z

AND A HALF AGO. GUIDICE PROPOSED TO COSCO THAT DREW ALSO SUPPLY SHIPS FROM THE SHANGHAI, TIENTSIN, AND TALIEN BRANCHES, BUT COSCO HAS NOT YET RESPONDED TO THE PROPOSAL.

12. L.J. VENATOR AND BOG MACGREGOR OF ITT FAR EAST AND PACIFIC WERE ALSO IN PEKING IN EARLY MAY AS PART OF A COSCO SPONSORED TOURIST GROUP. VENATOR WAS ATTEMPTING TO DO LEGAL

RESEARCH IN PREPARATION FOR THE COMPLEX CONTRACTS THAT WILL BE NECESSARY SHOULD ITT BE SUCCESSFUL IN ITS LONG RANGE GOAL OF SELLING THE PRC LARGE SCALE COMMUNICATIONS SYSTEMS. SHOULD SUCH A SALE TAKE PLACE, THE MAJOR SUPPLIER WOULD PRESUMABLY BE BTM, ITT'S BELGIAN SUBSIDIARY.

13. WELLMAN, INC. WAS REPRESENTED BY ERNEST WRIGHT AND ALAN FARAGO, WHO WERE HERE AT THE INVITATION OF THE TEXTILE CORPORATION. THEY WERE ALSO INTERESTED IN EXPLORING THE POSSIBILITY OF SELLING RAILROAD TRACK LAYING EQUIPMENT. THEY TOLD US THAT THEY PLANNED TO TRAVEL TO VIETNAM ON MAY 28 AT THE INVITATION OF THE VIETNAMESE MINISTRY OF FOREIGN TRADE. THEY PLANNED TO EXPLORE THE POSSIBILITY OF BOTH BUYING AND SELLING.

14. WJS WAS REPRESENTED BY JAMES CHEN WHO CAME TO PEKING AFTER THE CANTON FAIR. CHEN HAS BEEN ENGAGED IN NEGOTIATIONS FOR THE SALE OF SEVERAL HUNDRED THOUSAND DOLLARS OF US MACHINE TOOLS.

15. ROBERT M. LEE OF HUNTING WORLD AND ORIENT EXPRESS VISITED PEKING TO BUY BAMBOO, LAQUER, CHINAWARE, AND CLOISONNE.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 PEKING 01182 02 OF 02 130131Z

16. THOMAS POPE, VICE PRESIDENT OF BANKERS TRUST COMPANY, NEW YORK, VISITED PEKING AS THE PERSONAL GUEST OF AN AUSTRALIAN EMBASSY DIPLOMAT. HE WAS UNSUCCESSFUL IN HIS ATTEMPT TO CALL GE BANK OF CHINA OFFICIALS.

17. THIS MESSAGE CONTAINS SENSITIVE COMMERCIAL INFORMATION WHICH SHOULD NOT BE DISCUSSED OUTSIDE THE USG.  
THOMAS

LIMITED OFFICIAL USE

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, SALES, PETROLEUM PRODUCTION, EQUIPMENT, RECORDINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 10-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PEKING01182  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770209-0901  
**Format:** TEL  
**From:** PEKING  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770669/aaaacibv.tel  
**Line Count:** 269  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 741a667f-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 PEKING 1055, 77 PEKING 1131  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2194623  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MONTHLY US BUSINESS VISITORS REPORT: MAY  
**TAGS:** ETRD, CH, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/741a667f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009